

REQUEST FOR BOARD ACTION
HENDERSON COUNTY
BOARD OF COMMISSIONERS

MEETING DATE: 18 May 2016
SUBJECT: Pardee Financing
PRESENTER: Charles Russell Burrell
ATTACHMENT(S): Proposed Resolution

SUMMARY OF REQUEST:

Henderson County Hospital Corporation seeks your approval of a hospital revenue bond financing of certain projects related to the corporation. Important facts including:

- The maximum total amount of this borrowing would be \$17 million.
- The projects included would be (1) parking improvements for the corporation's Pardee Hospital main campus, particularly near the new Health Sciences Facility (which includes Pardee's new Comprehensive Cancer Care Center); (2) payment for acquisition of an additional ownership interest in a part of the Mission-Pardee Health Campus, located on the county line in Fletcher; (3) the upfitting (including equipment costs) for the new Comprehensive Cancer Care Center, and the acquisition of adjoining properties (up which the parking noted in (1), above, will be located); and (4) the acquisition and improvement (grading) of land to be used for the Corporation's proposed ambulatory care center in Mills River.
- No County funds would be used in repayment of this debt, which would be paid solely from Hospital Corporation revenues.
- The resolution proposed directs application to the Local Government Commission for approval of the financing.

County and Hospital Corporation staff will be present and prepared if requested to give further information on this matter.

BOARD ACTION REQUESTED:

Approval of the Resolution.

If the Board is so inclined, the following motion is suggested:

I move that the Board approve the proposed resolution.

A regular meeting of the Board of Commissioners of the County of Henderson, North Carolina, was duly held on May 18, 2016 at 9:00 a.m. in the Commissioners' Meeting Room, Henderson County Historic Courthouse, 1 Historic Courthouse Square, Hendersonville, North Carolina.

* * *

The following members were present:

The following members were absent:

Also present:

* * *

Commissioner _____ moved that the following resolution (the "*Resolution*"), a copy of which was available with the Board and which was read by title:

RESOLUTION OF THE COUNTY OF HENDERSON, NORTH CAROLINA DIRECTING THE APPLICATION TO THE LOCAL GOVERNMENT COMMISSION FOR APPROVAL OF A HOSPITAL REVENUE BOND; REQUESTING LOCAL GOVERNMENT COMMISSION APPROVAL OF THE COUNTY'S HOSPITAL REVENUE BONDS (MARGARET R. PARDEE MEMORIAL HOSPITAL PROJECT) IN TWO SERIES AND CERTAIN RELATED MATTERS

WHEREAS, the Board of Commissioners (the "*Board*") of the County of Henderson, North Carolina (the "*County*") has previously passed reimbursement resolutions relating to the financing by the Margaret R. Pardee Hospital (the "*Hospital*") and Henderson County Hospital Corporation (the "*Corporation*") of capital expenditures in connection with (1) various parking improvements for the Hospital's Comprehensive Cancer Center, (2) the acquisition of a 30% ownership interest in the limited liability company that owns the Phase 3 Facility located on the Mission Pardee Health Campus, (3) the upfitting and equipping of the Hospital's Comprehensive Cancer Center and (4) the acquisition of land and improvements thereto to accommodate construction of a strategic ambulatory clinic (collectively, the "*Projects*"), all for use by the Hospital; and

WHEREAS, the Board is considering the issuance of a not to exceed \$17,000,000 Hospital Revenue Bond (Margaret R. Pardee Memorial Hospital Project) in two series (collectively, the "*2016 Bonds*") to (1) pay, and to reimburse for amounts previously paid for, the cost of capital expenditures relating to the Projects and (2) pay the costs of issuing the 2016 Bonds; and

WHEREAS, the Board wishes to retain Parker Poe Adams & Bernstein LLP of Charlotte, North Carolina, as bond counsel; retain Stephens Inc., as financial advisor for the 2016 Bonds; and retain Prince, Youngblood & Massagee, PLLC, as counsel to the Corporation; and

WHEREAS, the Board desires that the Finance Director or the County Manager of the County or the President and Chief Executive Officer of the Corporation (such officers being herein called the "*Authorized Officers*") file with the Local Government Commission of North Carolina (the "*Commission*") an application for its approval of the 2016 Bonds, on a form prescribed by the

Commission, and (1) request in such application that the Commission approve (A) the negotiation of the sale of the 2016 Bonds to a purchaser to be determined through a private placement and (B) the County's use of Parker Poe Adams & Bernstein LLP, as bond counsel for the County, Stephens Inc., as financial advisor for the 2016 Bonds; and Prince, Youngblood & Massagee, PLLC, as counsel to the Corporation and (2) state in such application such facts and to attach thereto such exhibits in regard to the 2016 Bonds and to the County, the Corporation and their respective financial condition as may be required by the Commission, and to take all other action necessary to the issuance of the 2016 Bonds; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF HENDERSON, NORTH CAROLINA, AS FOLLOWS:

Section 1. That the 2016 Bonds are to be issued by the County for the purpose of providing funds to (1) pay, and to reimburse for amounts previously paid for, the cost of capital expenditures relating to the Projects and (2) pay the costs of issuing the 2016 Bonds, all as set out fully in the document attached to the County's application to the Commission.

Section 2. That Parker Poe Adams & Bernstein LLP; Stephens Inc. and Prince, Youngblood & Massagee, PLLC are hereby retained and approved.

Section 3. That the Authorized Officers are hereby authorized, directed and designated to file an application with the Commission for its approval of the issuance of the 2016 Bonds. Any applications and communications previously undertaken with the Commission are hereby ratified, approved and affirmed.

Section 4. That the Board finds and determines, and asks the Commission to find and determine, from the County's application and supporting documentation the following:

- (a) that the issuance of the 2016 Bonds is necessary or expedient;
- (b) that the not to exceed stated principal amount of the 2016 Bonds will be adequate but is not excessive, when added to other money available to the County or Corporation, for the purposes set forth above;
- (c) the Projects are feasible;
- (d) that the County's and the Corporation's debt management procedure and policies are excellent; and
- (e) that the 2016 Bonds can be sold at a reasonable interest cost to the County.

Section 5. That the Authorized Officers, Chairman, Vice-Chairman and Secretary of the Board are hereby authorized to do any and all other things necessary to complete the steps necessary for the issuance of the 2016 Bonds.

Section 6. That this Resolution is effective on the date of its adoption.

On motion of Commissioner _____, the foregoing resolution entitled **“RESOLUTION OF THE COUNTY OF HENDERSON, NORTH CAROLINA DIRECTING THE APPLICATION TO THE LOCAL GOVERNMENT COMMISSION FOR APPROVAL OF A HOSPITAL REVENUE REFUNDING BOND; REQUESTING LOCAL GOVERNMENT COMMISSION APPROVAL OF THE COUNTY’S HOSPITAL REVENUE BOND (MARGARET R. PARDEE MEMORIAL HOSPITAL PROJECT) IN TWO SERIES AND CERTAIN RELATED MATTERS”** was duly adopted by the following vote:

AYES:

NAYS:

STATE OF NORTH CAROLINA)
)
COUNTY OF HENDERSON) SS:

I, Teresa Wilson, Clerk to the Board of Commissioners of the County of Henderson, North Carolina, ***DO HEREBY CERTIFY*** that the foregoing is a true and exact copy of a resolution entitled **“RESOLUTION OF THE COUNTY OF HENDERSON, NORTH CAROLINA DIRECTING THE APPLICATION TO THE LOCAL GOVERNMENT COMMISSION FOR APPROVAL OF A HOSPITAL REVENUE REFUNDING BOND; REQUESTING LOCAL GOVERNMENT COMMISSION APPROVAL OF THE COUNTY’S HOSPITAL REVENUE BOND (MARGARET R. PARDEE MEMORIAL HOSPITAL PROJECT) IN TWO SERIES AND CERTAIN RELATED MATTERS”** adopted by the Board of Commissioners of the County of Henderson, North Carolina, at a meeting held on the 18th day of May, 2016.

WITNESS my hand and the corporate seal of the County of Henderson, North Carolina, this the ___th day of May, 2016.

Teresa Wilson
Clerk to the Board
County of Henderson, North Carolina